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Chair: Ms. King ..... (Saint Vincent and the Grenadines)
Chair of the Advisory Committee on Administrative and Budgetary Questions: Mr. Ruiz Massieu

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The meeting was called to order at 10.05 a.m.

Agenda item 136: Improving the financial situation of the United Nations

1. **Ms. Bartsiotas** (Controller), accompanying her statement* with a digital slide presentation, said that she would focus on four main financial indicators: assessments issued, unpaid assessed contributions, available cash resources and outstanding payments to Member States in respect of four budget categories: the regular budget, peacekeeping, the international tribunals, and the capital master plan. Overall, those financial indicators were sound, with the exception of the regular budget, where cash was exhausted and reserves were nearly exhausted. Severe cash problems would be experienced in the final months of 2016 unless sufficient contributions were received. The final outcome would largely depend on incoming contributions in the months ahead.

2. Cash balances were positive for peacekeeping operations and the tribunals. The Secretariat was making every effort to process payments expeditiously for troop- and police-contributing countries and contingent-owned equipment, and as a result projections reflected a decrease in the year-end level of outstanding payments to Member States.

3. Both assessments and payments received had been lower in 2016 than in 2015, by $222 million and $360 million respectively. On the 30 September 2016 cut-off date, unpaid assessments had amounted to $1,189 million, $136 million higher than in 2015. New rates of assessment had taken effect on 1 January 2016. By 30 September 2016, 126 Member States had paid their regular budget assessments in full, two fewer than at 2 October 2015 and 16 fewer than at 31 December 2015; one more Member State had paid since the cut-off date. She urged the remaining Member States to pay their assessed contributions in full as soon as possible. Outstanding contributions were concentrated among a few Member States, whose actions in the months ahead would largely determine the final financial picture for 2016.

4. Cash resources for the regular budget comprised the General Fund, into which assessed contributions were paid, the Working Capital Fund, which had been approved at a level of $150 million by the General Assembly, and the Special Account, at a level of $201 million as of 30 September 2016. The increasing regular budget cash shortfalls of $31 million, $81 million and $217 million that had been reported at the end of 2013, 2014 and 2015, respectively, as well as the shortfall of $344 million as of 30 September 2016, had been covered by the Working Capital Fund and the Special Account. Including the reserves, a total of $7 million in cash had been available as at 30 September 2016.

5. Increasing cash shortfalls had been experienced since July 2016, and more severe problems would arise in November and December unless sufficient contributions were received. The Secretariat would continue to monitor the cash position closely and would keep the General Assembly informed. The final cash position at the end of 2016 would depend largely on payments from Member States. Given that the level of reserves was sufficient to cover only 6 weeks of regular budget operations, its adequacy should be reviewed in the light of the pattern of payments by Member States and the level of commitment authority. Notwithstanding the liquidity problems affecting the regular budget, the Board of Auditors had judged the financial health of the Organization to be sound, as its assets were sufficient to meet its short- and long-term liabilities.

6. Owing to the changing demand for peacekeeping activities, it was more difficult to forecast financial requirements for peacekeeping than it was for the regular budget, under which expenditure was more predictable. In addition, peacekeeping operations had a different financial period, from 1 July to 30 June rather than the calendar year. Moreover, separate assessments were issued for each operation, and, since assessments could only be issued for the mandate period authorized by the Security Council for each mission, they were issued for different periods throughout the year. All those factors complicated payments by Member States and comparison between peacekeeping operations and the regular budget.

7. As at 30 September 2016, the total amount outstanding for peacekeeping operations had been $2.3 billion. A total of $10.3 billion had been assessed for peacekeeping operations in 2016. Contributions

* Subsequently circulated as document A/71/440.

received so far in 2016 amounted to approximately $8.9 billion.

8. It was difficult for Member States to keep fully current with peacekeeping assessments owing to the unpredictable amounts and timing of such assessments throughout the year and the differences in the financial year from mission to mission. She expressed her gratitude to the 25 Member States that had paid their peacekeeping assessments in full. As at 30 September 2016, approximately $5 billion had been available for peacekeeping, with active missions accounting for $4.7 billion and closed missions and the Peacekeeping Reserve Fund accounting for the remainder ($198 million and $139 million, respectively).

9. The Secretariat continued to make every effort to minimize the level of outstanding payments to Member States that provided troops and equipment. While some $824 million had been outstanding at the end of 2015, that amount was projected to decrease to $713 million by the end of 2016. As at 30 September 2016, $126 million had been owed to troop- and police-contributing countries, and $376 million for contingent-owned equipment claims for active missions and $86 million for closed missions. The total outstanding amount of $588 million represented a significant reduction from recent years.

10. The Secretary-General was committed to meeting obligations to Member States providing troops and equipment as expeditiously as possible. The Secretariat would monitor the peacekeeping cash flow situation constantly with a view to maximizing payments, but depended on Member States' meeting their financial obligations and on the expeditious finalization of memorandums of understanding with contributors of troops and contingent-owned equipment.

11. The financial position of the two international tribunals and the International Residual Mechanism for Criminal Tribunals remained generally sound. As of 30 September 2016, the unpaid assessments had totalled $55 million, lower by $14 million than in 2015. She expressed her appreciation to the 101 Member States — seven more than in 2015, with one more Member State having paid since the cut-off date — that had paid their assessed contributions in full and urged others to follow their example. The cash position was currently positive, and was expected to remain solid through year-end, although the final outcome would depend on Member States' continuing to honour their financial obligations over the remaining months of 2016.

12. A total of $1.87 billion had been assessed under the special account for the capital master plan. As at 30 September 2016, the bulk of the assessed contributions had been paid, with only $49,716 still outstanding. At the time of financing of the plan, the related costs had been apportioned among 192 Member States, of which four currently owed an outstanding balance.

13. She paid a tribute to the 25 Member States that had paid all assessments in full as at 30 September 2016. Given the limited reserves available, she urged Member States to meet their financial obligations in full and on time.

Agenda item 134: Programme budget for the biennium 2016-2017

United Nations Office for Partnerships (A/71/159)

14. **Ms. de la Roche** (Officer-in-Charge, United Nations Office for Partnerships), introducing the report of the Secretary-General on the United Nations Office for Partnerships (A/71/159) submitted pursuant to General Assembly decision 52/475, said that Office comprised the United Nations Fund for International Partnerships (UNFIP), the United Nations Democracy Fund and the partnership advisory services and outreach programme. UNFIP served as the interface between the United Nations Foundation and the United Nations system. The partnership and advisory services programme provided advice to potential partners regarding opportunities for collaboration and partnered with United Nations programmes and agencies, Member States, the private sector and non-governmental organizations (NGOs) to convene high-impact events. Under the Revised and Restated Relationship Agreement between the United Nations and the United Nations Foundation, signed in October 2014, the partnership had been renewed for 10 years. The two bodies had undertaken to consult closely and coordinate their activities, and the Joint Coordinating Committee had been established to enhance communication.

15. At the end of 2015, the cumulative allocations provided by the Foundation through UNFIP to projects implemented by the United Nations system had

reached $1.4 billion. The Foundation had supported global health initiatives, in particular polio, measles, rubella and malaria campaigns; women's and girls' empowerment; and sustainable energy and climate change initiatives. A total of 592 projects had been implemented by 43 United Nations entities in 124 countries.

16. The United Nations Democracy Fund had begun funding its ninth round of projects in 2015. A total of 51 projects had been funded at a cost of just under $9 million. The vast majority of the funds had gone to local civil society organizations in countries in both the transition and the consolidation phases of democratization. The Fund had launched its tenth round of projects in November 2015 and had received 2,664 applications by the deadline of 31 December 2015. By that date, the Fund had supported almost 600 projects in over 130 countries since its inception.

17. **The Chair** suggested that the Committee should decide to recommend to the General Assembly that the latter should take note of the report of the Secretary-General on the United Nations Office for Partnerships (A/71/159).

18. *It was so decided.*

The meeting rose at 10.35 a.m.